
In re Matter of the Supreme Court Finance Committee

**PETITION
12-07**

This matter comes before the Wisconsin Supreme Court upon the petition of Shirley S. Abrahamson, Chief Justice of the Wisconsin Supreme Court. Petitioner incorporates the proposed amendments to Supreme Court Operating Procedure I.A.1. filed by Justice Patience Drake Roggensack into this rule petition for the purpose of discussion by the supreme court in open rules petition conference.

On July 6, 2012, Justice Patience Drake Roggensack filed a rule petition proposing the amendment of several rules under chapter 70 of the Supreme Court Rules (SCRs) that relate to the supreme court finance committee. On September 18, 2012, Petitioner Justice Roggensack filed a comment to her original rule petition proposing amendments to Supreme Court Internal Operating Procedure I.A.1. that also relate to the supreme court finance committee. See Modification to SC I.O.P 1.A on the court system's rules page for Rule Petition 12-07 at <http://wicourts.gov/scrules/1207.htm>. In the September 18, 2012 cover letter to this comment, Justice Roggensack states that although this court does "not always publicly discuss changes to our Internal Operating Procedures," she filed the comment "because the pendency of the Rule Petition 12-07 brings it forward."

In order to ensure the proposed amendments to the internal operating procedure are subject to discussion in conjunction with rule petition 12-07 in an open rules petition conference, I have incorporated petitioner Justice Roggensack's proposed amendments to the internal operating procedure into this rule petition. The accompanying memorandum

supports for concept that the rule petition 12-07 and proposed amendments to the internal operating procedure be discussed together by the supreme court in open rules petition conference.

Petitioner Justice Roggensack's most recent proposed amendment to the internal operating procedure filed in this matter on September 18, 2012, is now filed as a rule petition as follows:

I. A. Administrative. 1. Director of State Courts. The director of state courts, who is appointed by and serves at the pleasure of the court, administers the nonjudicial business of the court system at the direction of the court and the chief justice, who exercises administrative authority pursuant to procedures adopted by the ~~and~~ the court. The authority and responsibilities of the director are set forth in the Supreme Court Rules (SCRs), chapter 70. Those responsibilities include development of the biennial budget for the court system. See SCR 70.01 and 70.03. In development of the biennial budget and review of the court's operating budgets, the director of state courts shall work with the supreme court finance committee. The supreme court finance committee shall be comprised of the chief justice, two additional justices elected by the supreme court, the chief judge of the court of appeals and the chief of the chief judges of the circuit courts or his or her designee. The director of state courts shall be an advisor to the supreme court finance committee. The court's chief budget and policy officer and the deputy director of state courts for management services shall staff the committee. All anticipated expenditures for court staff, programs and periodic events shall be presented to the supreme court finance committee, and when approved by the supreme court, become part of the court's biennial budget submission to the department of administration. Unanticipated expenditures of court funds not approved as part of the court's biennial budget, regardless of the source of the court funds, shall be: (1) subject to the usual expense reimbursement procedure for expenses incurred in the normal course of employment; (2) subject to prior approval of the court when an expense exceeds \$3,000.

Respectfully submitted this 13th day of December, 2012.

Shirley S. Abrahamson
Chief Justice
Wisconsin Supreme Court

In re Matter of the Supreme Court Finance Committee**MEMORANDUM IN
SUPPORT OF PETITION
12-07**

The purpose of this rule petition is to take into account all comments filed to the rule petition and to bring all matters to the supreme court for discussion in open rule petition conference for a full and complete discussion of the supreme court finance committee.

On July 6, 2012, Justice Patience Drake Roggensack filed a rule petition, No. 12-07, proposing the amendment of several rules under chapter 70 of the Supreme Court Rules (SCRs) that relate to the supreme court finance committee. On August 3 and September 11, 2012, I filed comments to the rule petition. My comments proposed the creation of SCR 70.125, which is based on the comments of Director of State Courts A. John Voelker and the work of the exploratory finance committee. This proposal defines the role and governs the operations of a supreme court finance committee regarding the biennial budget and the operating budget process and sets forth responsibilities of the director of state courts as they relate to the committee. See attached proposed SCR 70.125 submitted Sept. 11, 2012.

On September 18, 2012, Petitioner Justice Roggensack filed a comment to her original rule petition proposing additional amendments to Supreme Court Internal Operating Procedure I.A.1. that relate to the supreme court finance committee.

On December 3, 2012, additional comments were filed by the Planning the Policy Planning Committee, the Committee of the Chief Judges, and Director of State Courts A.

John Voelker that raised concerns about both Justice Roggensack's rule petition and her comment proposing amendments to the supreme court internal operating procedure. See all filings in Rule Petition 12-07 at <http://wicourts.gov/scrules/1207.htm>.

Justice Roggensack's comment proposing amendments to the internal operating procedure is an integral part of the rule petition 12-07. In addition, several comments have been filed in this matter raising issues with both the rule petition and the proposed amendments to the internal operating procedures. Therefore, it is necessary that Justice Roggensack's proposed amendments to the supreme court internal operating procedure be discussed by the court in conjunction with rule petition 12-07 in open rules petition conference.

In order to ensure the proposed amendments to the internal operating procedure are part of a rule petition and, therefore, subject to discussion in open rules petition conference and to avoid any disagreement among the justices about the court's ability to discuss the proposed amendments to the internal operating procedures in open rules petition conference, I have incorporated petitioner Justice Roggensack's proposed amendments to the internal operating procedure into this rule petition.

On May 4, 2012, the court amended by divided vote its rulemaking procedures¹ to limit open conferences to rule petitions only. See Supreme Court Internal Operating Procedure II.A.² This submission in a rule petition format will allow for discussion of the proposed amendments to the internal operating procedure in an open rules petition

¹ In the Matter of the Amendments to Wisconsin Supreme Court Internal Operating Procedures II.A. and III.B., 2012 WI 47 (May 4, 2012).

² Amended Supreme Court Internal Operating Procedure II.A. provides that “No matter, except filed rules petitions, shall be on the agenda for or discussed in open administrative conference unless a majority of the court gives prior approval in closed conference or by email for the placement of that matter on the open conference agenda.”

conference in conjunction with all matters relating to the proposed supreme court finance committee pursuant to Supreme Court Internal Operating Procedure III. B. Rule-Making Process.



STATE OF WISCONSIN
SUPREME COURT
P.O. BOX 1688
MADISON, WISCONSIN
53701-1688

STATE CAPITOL, 16 EAST
MADISON, WI 53702
(608) 266-1885
FAX: (608) 261-8299

CHAMBERS OF
CHIEF JUSTICE SHIRLEY S. ABRAHAMSON

September 11, 2012

Ms. Diane Fremgen
Clerk of the Supreme Court
P.O. Box 1688
Madison, WI 53701

Re: Rule Petition 12-07

Dear Ms. Fremgen:

I am submitting this comment (and nine copies in hard copy) to pending Rule Petition 12-07 and am sending an electronic copy of the comment in MS Word format to the Office of the Clerk of the Supreme Court at clerk@wicourts.gov and carrie.janto@wicourts.gov.

My comment is as follows: In response to a request by Justice Patience Drake Roggensack, Director of State Courts John Voelker has proposed language in rule form to accomplish the proposal the group adopted on October 10, 2011, and John Voelker submitted to the Court on December 23, 2011. John Voelker's memo and attachments are attached hereto as part of my comments.

For ease of reading and considering John Voelker's proposed SCR language to create a finance committee, I am setting forth below the draft language in one place.

* * * *

Under this proposal, SCR 70.125 would be created to read as follows:

SCR 70.125 Supreme court finance committee.

- (1) The supreme court finance committee shall consist of:
 - (a) The chief justice of the supreme court and two other justices designated by the supreme court.
 - (b) The chief judge of the court of appeals.
 - (c) A chief judge of the circuit courts or his or her designee.
- (2) Staffing for the committee shall be provided by members of the director's staff responsible for budget.

(3) The supreme court finance committee's role in the biennial budget development process shall be as follows:

(a) Be provided a copy of all budget proposals submitted and considered by the chief justice and director of state courts.

(b) Be provided with a list of budget proposals that are invited by the chief justice and director of state courts to move forward as a formal biennial budget proposal.

(c) Participate in all review and deliberations of the biennial budget conducted by the planning and policy advisory committee and its planning subcommittee, and advise the supreme court and director of state courts in the court's review of the budget.

(d) Be included on all formal communications regarding the Courts' biennial budget submission.

(4) The supreme court finance committee's role in the review of annual departmental operating budgets and grant operating budgets shall be as follows:

(a) Be provided each January with a copy of the preliminary draft operating budget prepared by the medical mediation panels for review by the supreme court finance committee under a 10-day review process prior to formal submission to the board of governors. Unless a member of the supreme court finance committee requests a meeting of the committee during the 10-day review process, the draft operating budget will be the final budget submitted to the board of governors.

(b) Be provided each February with copies of draft operating budgets and State Bar assessments of the office of lawyer regulation and the board of bar examiners as approved by their respective boards under a 10-day review process. Unless a member of the supreme court finance committee requests a meeting of the committee during the 10-day review process, the draft operating budgets will be the final budget submitted to the supreme court for approval. If a member requests a meeting, the budget and any finance committee comments will be submitted to the supreme court after the meeting is held.

(c) Meet to review annual operating budgets of all other departmental and grant project annual plans after operating budgets are reviewed and approved by the director of state courts. Upon review by the supreme court finance committee, annual operating budgets and annual plans of departments and grant projects and finance committee comments are submitted to the supreme court.

(d) Be provided information of significant budget modifications made to operating budgets and annual departmental plans under a 10-day review

process. A significant budget modification is if, during a fiscal year, a department's annual operating budget is adjusted by more than 10 percent of the total of all its operating budgets or \$10,000, whichever is greater or there is a significant deviation from the department's approved annual plan. Unless a member of the supreme court finance committee requests a meeting of the committee during the 10-day review process, the budget modifications will be submitted to the supreme court. If a member requests a meeting, the budget and any finance committee comments will be submitted to the supreme court after the meeting is held.

* * * *

Although I am sure that this proposed language (like any draft language) can be further tweaked and improved, this proposed language follows the format of the present Supreme Court Rules on the budget and tells the Finance Committee, John Voelker, our budget staff, and the Supreme Court what their respective roles are in the biennial budget process and in the development of operating budgets.

Please place this comment in your file and on the Web site.

Sincerely,

Shirley S. Abrahamson

cc: clerk@wicourts.gov
carrie.janto@wicourts.gov
Hon. Richard Brown (via e-mail)
Hon. William Foust (via e-mail)

Memorandum

STATE OF WISCONSIN
DIRECTOR OF STATE COURTS



DATE: September 10, 2012
TO: Supreme Court Justices
CC: Hon. Richard Brown
Hon. William Foust
FROM: A. John Voelker
SUBJECT: October Meeting Documentation

At the August 20, 2012 meeting, Justice Roggensack distributed a transcript her chambers prepared from the audio of the October 10, 2011 meeting attended by Chief Justice Abrahamson, Justice Roggensack, Justice Gableman, Hon. Richard Brown, and Hon. William Foust. As a follow-up to the August 20th meeting, Justice Roggensack requested I review the transcript to ensure that information provided in the December 23, 2011 memo I sent to the Supreme Court was consistent with the discussion.

I have reviewed the transcript prepared by Justice Roggensack's chambers, as well as, a transcript prepared by Chief Justice Abrahamson's chambers of the October 10th meeting. The transcripts are essentially the same. I also asked staff to review the transcripts independently to assess the documentation. After review of the October 10th meeting materials and the related discussion as documented by the transcripts, I am providing you a more detailed Table 3, which identifies the biennial budget process with the insertion of a finance committee, and a more detailed Table 4, which identifies the operating budget process with the insertion of a finance committee. These tables were included in the December 23, 2011 memo to the Supreme Court, but without the Supreme Court Rule language.

With a petition now pending regarding a Supreme Court Finance Committee (12-07), I thought it might be helpful to have potential language that would implement the proposed process. As a result, I have incorporated Supreme Court Rule language that could be considered by the Court to implement each step of the processes as identified in the December 23rd memo.

I want to ensure that the documentation is accurate, so if any of the October 10th meeting attendees identify a discrepancy, please let me know me.

Table 3 BIENNIAL BUDGET TIMETABLE (EVEN-NUMBERED YEARS) Proposed Role of Finance Committee and Potential Supreme Court Rule Language	
Mid March (Even-Numbered Year)	“Policies & Procedures” and “Budget Instructions” memos sent to justices, judges, family and circuit court commissioners, clerks of circuit court, department managers and DCAs per SCR 70.12
Early April	Brief (1–2 paragraph) proposals submitted to Budget Officer. Actual proposals sent to Supreme Court (SC) Finance Committee <i>Potential SCR Language:</i> The supreme court finance committee shall consist of: <ul style="list-style-type: none"> • The chief justice of the supreme court and two other justices designated by the supreme court. • The chief judge of the court of appeals. • A chief judge of the circuit courts or his or her designee. Staffing for the committee shall be provided by members of the director’s staff responsible for budget. The finance committee shall be provided a copy of all budget proposals submitted and considered by the chief justice and the director of state courts.
Mid April	Chief Justice and Director of State Courts (DSC) meet with department managers and others to discuss ideas/suggestions submitted to determine which items to move forward. List of items moving forward sent to SC Finance Committee <i>Potential SCR Language:</i> The finance committee shall be provided with a list of budget proposals that are invited by the chief justice and the director of state courts to move forward as a formal biennial budget proposal.
Mid April	Requesters notified of proposals for which to develop detailed budget requests
Late May	Requesters submit detailed proposals to Budget Officer
Late May	PPAC Planning Subcommittee and SC Finance Committee jointly briefed on budget development and discuss which budget items are moving forward <i>Potential SCR Language:</i> The finance committee shall participate in all review and deliberations of the biennial budget conducted by the planning and policy advisory committee and its planning subcommittee, and advise the supreme court and the director of state courts in the court’s review of the budget.
June - August	Budget officer works with DSC, Chief Judge of the Court of Appeals and department managers to refine approved issues per SCR 70.12(1)(c)3
Late June – August	Budget officer, Chief Justice and DSC review budget submissions
Late July	PPAC Planning Subcommittee and SC Finance Committee jointly briefed on biennial budget requests being developed. <i>Potential SCR Language:</i> The finance committee shall participate in all review and deliberations of the biennial budget conducted by the planning and policy advisory committee and its planning subcommittee, and advise the supreme court and the director of state courts in the court’s review of the budget.

Table 3 BIENNIAL BUDGET TIMETABLE (EVEN-NUMBERED YEARS) Proposed Role of Finance Committee and Potential Supreme Court Rule Language	
Spring – Summer	Budget officer works with DOA/Fiscal Bureau to set foundation for budget requests, arrange site visits, provide background information on court system
1 st week of August	Final budget draft prepared for PPAC/Planning Subcommittee and SC Finance Committee review <i>Potential SCR Language:</i> The finance committee shall participate in all review and deliberations of the biennial budget conducted by the planning and policy advisory committee and its planning subcommittee, and advise the supreme court and the director of state courts in the court's review of the budget.
2 nd week of August	PPAC/Planning Subcommittee/SC Finance Committee meet to: 1) review draft budget and discuss whether budget is consistent with strategic plan; and 2) advise the Supreme Court & DSC in the Court's review of the budget per SCR 70.14 (6) <i>Potential SCR Language:</i> The finance committee shall participate in all review and deliberations of the biennial budget conducted by the planning and policy advisory committee and its planning subcommittee, and advise the supreme court and the director of state courts in the court's review of the budget.
Late August - Early September	Budget request submitted to Supreme Court with memo from Budget Officer, along with any comments from PPAC and/or the SC Finance Committee <i>Potential SCR Language:</i> The finance committee shall participate in all review and deliberations of the biennial budget conducted by the planning and policy advisory committee and its planning subcommittee, and advise the supreme court and the director of state courts in the court's review of the budget.
Late August – Early September	Budget request reviewed and approved by Supreme Court
October 1	Technical budget document with issue papers sent to DOA and LFB
Early October	Informational bulletin on the court budget request distributed to justices and judges, clerks of circuit court, department heads, DCAs, PPAC and PPAC Planning and SC Finance Committee

Table 4 DEVELOPMENT OF ANNUAL PLANS AND OPERATING BUDGETS Proposed Role of Finance Committee and Potential Supreme Court Rule Language	
December	Budget officer works with Medical Mediation Panel (MMP) Director to develop a preliminary operating budget that is provided to the Board of Governors for the Injured Patients and Families Compensation Fund for setting health care provider assessments
January	<p>Department managers develop annual plans that set forth departmental goals/objectives/activities/budget needs and submit to the Director of State Courts. Supreme Court (SC) Finance Committee sent copy of MMP preliminary operating budget for review under 10-day review process prior to submission to the Board of Governors.</p> <p><i>Potential SCR Language:</i> The finance committee shall be provided each January with a copy of the preliminary draft operating budget prepared by the medical mediation panels for review by the Supreme Court Finance Committee under a 10-day review process prior to submission to the board of governors. Unless a member of the supreme court finance committee requests a meeting of the committee during the 10-day review process, the draft operating budget will be the final budget submitted to the board of governors.</p>
February	<p>Budget officer works with directors of BBE and OLR to develop their offices' preliminary operating budgets for setting attorney assessments for the upcoming fiscal year. SC Finance Committee sent copies of BBE and OLR draft operating budgets and State Bar assessments as approved by their respective Boards under a 10-day review process.</p> <p><i>Potential SCR Language:</i> The finance committee shall be provided each February with copies of draft operating budgets and State Bar assessments of the office of lawyer regulation and the board of bar examiners as approved by their respective boards under a 10-day review process. Unless a member of the Supreme Court Finance Committee requests a meeting of the committee during the 10-day review process, the draft operating budgets will be the final budget submitted to the Supreme Court for approval. If a member requests a meeting, the budget and any finance committee comments will be submitted to the Supreme Court after the meeting is held.</p>
March	Supreme Court approves BBE and OLR operating budgets and State Bar assessments
June 30	Close of state fiscal year
July	All revenues and expenditures relating to previous fiscal year activity are coded to the previous fiscal year throughout the month of July to finalize the previous fiscal year's accounting records
July of odd-number years	Monitor the status of the biennial budget process. New fiscal year appropriations are not available until Governor signs the biennial budget into law. Delays in passing the biennial budget could

Table 4 DEVELOPMENT OF ANNUAL PLANS AND OPERATING BUDGETS Proposed Role of Finance Committee and Potential Supreme Court Rule Language	
	correspondingly delay the development annual operating budgets
Late August	Accounting records for previous state fiscal year are officially closed. The fiscal officer certifies to the Department of Administration that the previous fiscal year's appropriations are closed. Final fiscal year expenditure figures are available for preparing annual operating budgets
September-October	<p>Budget officer works with department managers, district court administrators and the chief judge of the Court of Appeals to set fiscal year operating budgets (NOTE: timeframe could be delayed in odd-number years if enactment of biennial budget is delayed). Court system managers are expected to ensure that any budget resources approved in their annual plans are incorporated into their annual operating budget. Operating budgets are approved by the Director of State Courts (DSC) before being finalized. SC Finance Committee meets to review operating budget summaries and department annual plans (see Attachment C). After SC Finance Committee review, budget summaries and plans are sent to the Supreme Court.</p> <p><i>Potential SCR Language:</i> The finance committee shall meet to review annual operating budgets of all other departmental and grant project annual plans after operating budgets are reviewed and approved by the director of state courts. Upon review by the supreme court finance committee, annual operating budgets and annual plans of departments and grant projects and finance committee comments are submitted to the supreme court.</p>
Throughout remainder of fiscal year	<p>Budget officer monitors operating budgets and works with respective manager and DSC to modify as necessary. If significant modifications are made to operating budgets or annual plans, SC Finance Committee is sent copies of modifications for review via a 10-day review process. After SC Finance Committee review, budget modifications are sent to Supreme Court.</p> <p><i>Potential SCR Language:</i> The Finance Committee shall be provided information of significant budget modifications made to operating budgets and annual departmental plans under a 10-day review process. A significant budget modification is if, during a fiscal year, a department's annual operating budget is adjusted by more than 10 percent of the total of all its operating budgets or \$10,000, whichever is greater or there is a significant deviation from the department's approved annual plan. Unless a member of the Supreme Court Finance Committee requests a meeting of the committee during the 10-day review process, the budget modifications will be submitted to the supreme court. If a member requests a meeting, the budget and any finance committee comments will be submitted to the Supreme Court after the meeting is held.</p>